

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 101

April 23, 1998, 3:14 pm
Page S-3494 Temp. Record

EDUCATION SAVINGS ACCOUNTS/School Drop-Out Program

SUBJECT: Education Savings Act for Public and Private Schools . . . H.R. 2646. Bingaman amendment No. 2308.

ACTION: AMENDMENT AGREED TO, 74-26

SYNOPSIS: As amended, H.R. 2646, the Parent and Student Savings Account PLUS Act, will enact the compromise provisions of S. 1133, as reported, on education savings accounts and other education initiatives. It will expand the recently enacted education savings account tax credit, will provide an exclusion from gross income for distributions from qualified State tuition programs, will extend and expand the current-law section 127 tax exclusion (for employer-provided education assistance), and will assist local governments in issuing bonds for school construction by increasing the small-issuer bond exemption. The bill will also enact a proposal to give school construction aid to high growth districts. In total, approximately \$6 billion in tax relief for education over the next 10 years will be provided. That cost will be more than fully offset by modifying the employer deduction for vacation pay and by changing the treatment of the foreign tax credit carryback and carryforward periods (for increased revenues of \$6.9 billion over 10 years). The education tax credit will be expanded by increasing the annual contribution limit for education IRAs from \$500 to \$2,000 for taxable years 1999 through 2002 and by changing the definition of qualified education expenses to include kindergarten through twelfth grade (K-12) expenses (the credit currently applies only to higher education expenses).

The Bingaman amendment would create the Office of Dropout Prevention and Program Completion within the Department of Education. The Office would develop a plan for reducing the school dropout rate in America and would establish a clearinghouse for gathering and disseminating information on strategies that have been used and their results. The Office could give monetary awards to schools that had great success in lowering their dropout rates. The amendment would also authorize a new grant program that would distribute funds to the States by formula for the purpose of funding dropout reduction programs in schools. Schools would apply for funds, and States would distribute funds to applying schools based on criteria that would be developed by the Office of Dropout Prevention. Grants would be for 3 years, and could be extended for 2 years at a State's discretion. Congress' intent would be for an initial grant to be between \$50,000 and \$100,000 the first year and declining sums in succeeding years. Schools would

(See other side)

YEAS (74)				NAYS (26)		NOT VOTING (0)	
Republican (30 or 55%)		Democrats (44 or 98%)		Republicans (25 or 45%)	Democrats (1 or 2%)	Republicans (0)	Democrats (0)
Abraham	Hutchison	Akaka	Johnson	Allard	Feingold		
Bennett	Jeffords	Baucus	Kennedy	Ashcroft			
Bond	Kempthorne	Biden	Kerrey	Brownback			
Burns	Kyl	Bingaman	Kerry	Coats			
Campbell	McCain	Boxer	Kohl	Cochran			
Chafee	McConnell	Breaux	Landrieu	Enzi			
Collins	Murkowski	Bryan	Lautenberg	Frist			
Coverdell	Roth	Bumpers	Leahy	Gorton			
Craig	Santorum	Byrd	Levin	Grams			
D'Amato	Smith, Bob	Cleland	Lieberman	Grassley			
DeWine	Smith, Gordon	Conrad	Mikulski	Gregg			
Domenici	Snowe	Daschle	Moseley-Braun	Hagel			
Faircloth	Specter	Dodd	Moynihan	Helms			
Gramm	Stevens	Dorgan	Murray	Hutchinson			
Hatch	Warner	Durbin	Reed	Inhofe			
		Feinstein	Reid	Lott			
		Ford	Robb	Lugar			
		Glenn	Rockefeller	Mack			
		Graham	Sarbanes	Nickles			
		Harkin	Torricelli	Roberts			
		Hollings	Wellstone	Sessions			
		Inouye	Wyden	Shelby			
				Thomas			
				Thompson			
				Thurmond			

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

have to use dropout reduction methods validated by research and widespread successful use. Schools that used "tracking" (such as putting some children in academic classes and others in vocational classes) would not be eligible for funds. For fiscal year 1999, \$5 million would be authorized for the Office of Dropout Prevention, \$20 million would be authorized for developing dropout reduction strategies, and \$125 million would be authorized for the State grant program. Such sums as necessary would be authorized for years thereafter. States would be required: to provide data on school dropout rates to the National Center for Education Statistics; to develop school funding policies that would encourage efforts to lower dropout rates; and to enact uniform long-term suspension and expulsion policies.

Those favoring the amendment contended:

The Bingaman amendment would encourage States to reduce school dropout rates. This amendment would not create a net increase in the number of Federal programs, because the new effort would just replace an unfunded existing program. This new program is needed to address a very obvious need for Federal intervention. Every year, one-half million children drop out of school. Those kids, statistically, are much more likely to fail in life and end up costing the taxpayers hundreds of thousands or millions of dollars each. The median personal income of high school graduates during prime earning years is nearly twice that of high school dropouts. Among prisoners, 82 percent never finished high school. High school dropouts are three times as likely to be unemployed and three times as likely to be on welfare as are high school graduates. The problem is worst among Hispanics, who have a 30-percent rate of quitting school, which is much higher than the overall, 10-percent average. Under this amendment, up to 2,000 schools would be able to compete for \$50,000 grants. States would pick the schools that received the money, using objective measurements. The effort to reduce school dropout rates has been bipartisan in the past. We are confident that support for this amendment will likewise be bipartisan.

Those opposing the amendment contended:

Here we go again. Our colleagues have come up with an idea that is so good it is amazing that no one has ever thought of it before. Or, perhaps, they have, which may be why the Federal Government currently has 127 programs that are designed to help at-risk youth. At-risk youth are precisely the children who drop out of school, and all of these 127 programs of course encourage children to stay in school. The unstated premise of the Bingaman amendment is that though those 127 programs have not stopped children from dropping out of school, the 128th will be the charm. We doubt it. Frankly, we believe that the current maze of Federal programs hampers State efforts to lower school dropout rates. For instance, in Florida 297 State employees are required to oversee and administer just \$1 billion in Federal funds, yet to administer \$7 billion in State funds it takes only 374 employees. Without Federal strings and paperwork requirements, many States could cut their administrative costs in half, plus the Federal Government would be able to give more aid because it would no longer have its 15-percent administrative expense. We agreed to the Gorton amendment yesterday to block grant funds--that amendment by itself, with no bureaucracy at all, would free up billions of dollars for States to spend on keeping children in school. The other major point that needs to be made is that lowering the dropout rate is not as great a priority in every State. Over the past 30 years the rate of children quitting school has declined from 27.2 percent to its present level of 11.1 percent. That decline is dramatic, and in particular States the level is much lower. Rates have dropped especially dramatically for white teens and black teens. The largest problem still remaining is among Hispanics, and Hispanics are more heavily concentrated in certain States, such as New Mexico. Perhaps the Bingaman amendment addresses a problem that is very serious in its sponsor's State, but many if not most other States have much more serious problems, and even if more Federal help were needed, it should not be given by adding one more program to the existing 127 Federal programs. We therefore urge our colleagues to reject this amendment.